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C O N F I D E N T I A L SECTION 01 OF 04 BRASILIA 000370

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E.O. 12958: DECL: 01/11/2017

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SUBJECT: BRAZIL: U/S BURNS' MEETING WITH FOREIGN MINISTER
AMORIM

Classified By: POLITICAL COUNSELOR DENNIS HEARNE. REASONS: 1.4 (B)(D).

11. (C) Summary. Under Secretary for Political Affairs R. Nicholas Burns, WHA Assistant Secretary Thomas Shannon, P Special Assistant Heide Bronke, Ambassador Sobel and PolCouns Dennis Hearne met on 7 February with Foreign Minister Celso Amorim for a broad discussion of bilateral and regional issues. The USG delegation visited Brasilia for a bilateral strategic dialogue at the U/S level. Amorim was accompanied by Foreign Ministry U/S for Political Affairs and designated U.S. Ambassador Antonio Patriota, incoming U/S Everton Vargas, and other senior officers. U/S Burns emphasized the change in U.S. strategy away from a Euro-centric focus and toward new alliances with major regional powers, and noted Brazil is the focal point for this U.S. approach in South America. Amorim and U/S Burns agreed on the desirability of using cooperation on biofuels as the centerpiece of a broader strategic relationship, drawing on the example of newly dynamic relationship of the United States and India. Two meetings in March between Presidents Bush and Lula offer excellent opportunities for pursuing an agreement on biofuels. On regional issues, Amorim affirmed Brazil's long-term commitment to Haiti. He said that Brazil does not admire Chavez's political path, but does not fear him. The GOB has limited influence in ameliorating Chavez's behavior and must remain engaged with him in light of Brazil's vital interests. In Bolivia, Amorim and U/S Burns agreed on the need to continue engagement with Evo Morales. The conversation was substantive and frank, and is organized topically below for clarity. End summary.

BILATERAL RELATIONS AND BIOFUELS

12. (C) U/S Burns outlined for FM Amorim the evolution of U.S. global strategy away from the Cold War's Euro-centric paradigm toward the current focus on building strategic partnerships with key regional powers, including India, China, South Africa and Brazil. The USG is eager to intensify its dialogue with Brazil, and the prospect of two

presidential meetings in March -- in Sao Paulo and later in the United States -- offer great opportunities to move in that direction.

13. (C) U/S Burns offered as an example the new and dynamic U.S. relationship with India, in which the bilateral agreement on civil nuclear energy has served as the "backbone" for improving political, commercial and cultural links between India and the United States. Praising Brazil's regional leadership (e.g., in Haiti) and its strong commitment to democracy, U/S Burns indicated the USG's desire to turn now toward deepening its strategic relationship with Brazil. Noting the critical geopolitical, environmental and energy consequences of over-reliance on oil, U/S Burns stressed the USG's heightened interest in establishing alternative energy options, and said this augured well for building a partnership with Brazil with cooperation in development of biofuels technologies and markets as the centerpiece. U/S Burns indicated the USG will be working with the GOB to conclude a biofuels agreement with Brazil -- based on a draft MOU provided by Brazil -- with a view to making the accord a deliverable for the March presidential meetings.

14. (C) FM Amorim noted the generally positive state of U.S.-Brazil relations and personal friendship between Presidents Lula and Bush. He said U.S. enthusiasm for close cooperation in biofuels has a resonant echo throughout the GOB, starting with Lula himself, who is seized with the potential of biofuel as a transformational agent not only in energy but in effecting social change. Amorim said the GOB is receptive to utilizing cooperation on biofuels as a

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central element for strengthening ties with the United States, but also issued a caveat against "ethanolizing" the entire bilateral relationship, which is more diverse and complex than any single issue.

15. (C) Amorim and U/S Burns discussed the component of the draft biofuels MOU which addresses U.S.-Brazil cooperation in third country economic and social development projects, and U/S Burns presented the USG preference for a multi-country approach, including projects in South America. Amorim reiterated Brazil's stated preference for commencing U.S.-Brazil cooperation in third countries with pilot projects in Central America or the Caribbean. Pressed by U/S Burns as to Brazil's reasoning on this point, Amorim said that GOB concerns include reactions within Mercosul to an initial biofuel project in a South American country that would certainly be outside of that regional group. In the case of Colombia, the GOB would not rule out cooperation at some point, but it would be necessary to create a clear line between Brazilian efforts on biofuels and any connection to Plan Colombia, which is controversial in Brazil. Moreover, Amorim noted that the GOB has not attempted a broad international effort of this complexity before, and is concerned about "scattering its energy too widely." Brazil prefers to focus initially on a single pilot project in a relatively small country where there is good potential for a transformative effect on a near-term horizon. Such a success would establish a positive precedent for U.S.-Brazil cooperation, and subsequent joint projects -- including in South America and Africa -- would then become seen by all as "routine," he said.

RECIPROCITY ISSUES

16. (SBU) Amorim again asked the USG to relax its current restrictions on leasing or purchasing of properties for the Brazilian bilateral and UN missions in the United States, which the USG has linked to resolution of property and social security problems the USG continues to confront with its mission in Brazil. Amorim noted that the foreign ministry has submitted an accord for congressional approval which will resolve the U.S. problems in Brazil, but that in light of the

fact that congressional approval could take "perhaps the rest of the year," a loosening of restrictions on Brazil would be a good will gesture in the bilateral relationship. Amorim implied that GOB receptivity to a USG request to base an Embassy C-12 aircraft in Brasilia is now linked to a U.S. show of flexibility. (Note: In a press interview on 2 February, Amorim complained that the USG is "retaliating" against Brazil because of the U.S. Mission's problems in Brazil. End note.)

HAITI

17. (C) Amorim affirmed that the GOB has assumed its role in Haiti as "a long-term commitment." Amorim said the Haiti experience has been a positive example of U.S.-Brazil cooperation, even though the two governments have sometimes differed on specific aspects of the mission. Haiti now has an elected national government, and it is imperative for the international community to avoid "the vicious circle" of not donating resources to a government that is not perfect, thereby ensuring that the government and country can never improve to a point of deserving donations, Amorim said. In addition, it continues to be crucial, in the GOB's view, that the population perceive tangible improvements in their daily lives in the near term. MINUSTAH can secure Bel Aire and other crime-ridden areas, but the local populations will grow disillusioned and restive if there is no follow-up in basic services and social programs, Amorim said.

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18. (C) U/S Burns agreed that President Preval is mounting a serious effort at governance and deserves support; the USG is now sending resources for security and development in Cite Soleil. Amorim and U/S Burns agreed that the USG and Brazil should continue pressing the Chinese Government to support the 12 month extension for MINUSTAH, and Amorim instructed his staff to call the Chinese Ambassador in Brasilia in immediately to receive a new demarche on the issue. Beijing's Ambassador in Brasilia is a good channel to PRC on the issue because he had served in East Timor and "had seen first-hand what happens when the UN leaves too soon," Amorim noted.

VENEZUELA AND BOLIVIA

19. (C) Amorim said Hugo Chavez's political path is not that of Brazil, but Brazil "does not feel threatened" by Chavez. Chavez's military build-up is part of a quest for prestige, and his rhetorical excesses are primarily for internal consumption in Venezuela -- "his bark is worse than his bite," Amorim opined. Isolation is not a solution with Chavez, since it would only serve to make him "more radical and self-righteous," Amorim said. Brazil tries to be a positive influence in ameliorating Chavez's behavior, and has had some successes, but with his electoral victories and the strength of oil prices consolidating Chavez's position, "there is only so much we can do." Brazil has vital interests with Venezuela -- infrastructure and energy investments, for example -- and it has to be careful.

110. (C) U/S Burns said the USG has taken Lula's advice and does not respond to Chavez's constant provocations. "We don't want to isolate him, we want to talk to him, but he won't deal with us," U/S Burns emphasized. Amorim replied that the GOB had urged the Venezuelans to open a dialogue with the United States, to no avail, and Amorim had also intervened personally with Chavez in the Sumate human rights case. Amorim also complained that the removal of former Venezuelan Foreign Minister Ali Rodriguez was a bad thing. He described Rodriguez as an intelligent and reliable interlocutor. He complained that the current Foreign Minister, Nicolas Maduro, seems "insecure." Amorim has tried to persuade Maduro to come alone to Brasilia for discussions, but he refuses to travel apart from Chavez "because he is afraid of him." Amorim suggested that continued efforts be

made to engage Chavez in a broad dialogue on the region, since focusing on Venezuela's internal situation is unlikely to yield results. He also complained that the disunity and in-fighting in the opposition had only helped Chavez, and reiterated his standing complaint that Brazil's ability to influence Chavez had been undercut by the U.S. decision to block export of Embraer Super Tucano aircraft to Venezuela by refusing export licensing of U.S. content in the planes.

¶11. (C) Amorim and U/S Burns touched briefly on Bolivia, and agreed on the continuing need to reach out to Morales wherever possible. Patience and perseverance are needed, "so that he does not fall into Chavez's arms," Amorim said. The GOB further doubts that the military ties Morales appears to be establishing with Chavez will be fruitful for Bolivia, and appear to be causing a significant political backlash. On Colombia, Amorim noted that Lula and President Uribe enjoy a good relationship, and that Brazil is watching with interest the disarmament process with paramilitaries. U/S Burns and Amorim agreed that the process must proceed with care and rigor, as the experience with the paramilitaries will set the standard for any future effort with the FARC.

¶12. (U) Participants

Under Secretary R. Nicholas Burns

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Ambassador Clifford Sobel
Assistant Secretary Thomas A. Shannon
Political Counselor Dennis Hearne
Policy Planning Staff Officer William W. McIlhenny
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Ambassador Antonio de Aguiar Patriota
Ambassador Everton Vieira Vargas
Ambassador Goncalo Mourao
Ambassador Maria Luiza Viotti
Counselor Joao Tabajara Jr.
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